(21)

AV 4 IT-US 20374

59

OUTGOING TELEGRAM Department of State

INDICATE: ☐ COLLECT
☐ CHARGE TO

~~CONFIDENTIAL~~ DECLASSIFIED

Classification

EXCISE

FOR OC/T USE ONLY

MAY 27 3 32 PM '67

Origin

Info:

ACTION: Amembassy ROME PRIORITY

STATE 203874

CIVAIR: FOR LOY

REF: Rome 6287.

DEPARTMENT OF STATE A/CDC/IMS 25 MAY 1982
REVIEWED BY ____ DATE ____
PORTIONS DENIED AS INDICATED

203874

5 USC 552(b)(1)

[redacted] (a) Italians not afraid June 1 date; (b) consequently our present bargaining position not favorable; (c) we have already made fair and defensible offer; (d) in any event, closing ~~dx~~ days are not time make further concessions.

2. CAB position essentially same as foregoing. Because agreement acceptable to US clearly cannot be reached by May 31, CAB believes it would be ~~xxxx~~ better not make any further offers or ~~xx~~ concessions at this time in order not weaken ~~xxxxxxx~~ our future bargaining position. Furthermore, Italian refusal even to discuss other major aspects (capacity, all-cargo, etc.) would make any further route concessions at this time risky. ~~[illegible]~~

3. As is evident, not only are Italians apparently unconcerned about consequences of termination, but US carriers are also. We do not see for present way of closing gap between US and Italian positions. Dept is interested both [redacted]

Drafted by:	Tel. Ext.	Telegraphic transmission and classification approved by:
E/AN:MHStyles:vlv 5/27/67	8644	~~XXXXXXXXXXXX~~ E - Mr. Solomon

Clearances:
S/C - Mr. Dean
EUR - Mr. Stabler
E/OA - Mr. Bolster
CAB - Mr. Watson (sub)

~~CONFIDENTIAL~~ DECLASSIFIED

Classification

FORM 8-65 DS-322

CONFIDENTIAL
Classification
DECLASSIFIED

in the possible
/broader advantages of putting US in most favorable light possible before/breakoff

~~and maintaining open mind~~ and in maintaining open mind to seize opportunities for concluding reasonable agreement either before or after June 1.

4. For the record, delegation authorized reject Italian proposals referred to in para 12, Rome 6287.

5. Circular 175 authorization received for delegation to agree with GOI on postponement of date of termination of agreement for up to four months or on complete withdrawal of Italian denunciation. As indicated State 200313, this authorization covers all three alternatives in Loy May 10 letter to Bolster.

6. It is not clear to us at this point in time whether there should be extension present agreement or not or whether US should propose extension or leave initiative entirely to Italians. Relative advantages of various options should be more apparent after Monday meeting. We will consequently await delegation's report at that time before instructing delegation whether or not use foregoing authority. However, totally aside from merits of extension present agreement, we now have a question whether it is worthwhile try to maneuver Italians into filing of application by Alitalia for extension its permit prior to any request for extension agreement. For example, even if Alitalia files before extension agreement, there is possibility Alitalia could then, if agreement extended, request withdrawal its application. Legal consequences such move unclear, but it is possible withdrawal could be accomplished, thus making pointless any US effort in closing days to force Alitalia into filing. FYI. CAB considering possibility issuing order in connection Alitalia renewal application requiring it show cause why its permit should not be

DECLASSIFIED
CONFIDENTIAL
Classification

DECLASSIFIED
CONFIDENTIAL
Classification

or appropriately conditioned
revoked/in absence bilateral agreement. US carriers aware this idea which still only tentative. End FYI.

7. We leave it to delegation advise US carriers when file for their permits.

8. On ~~xxx~~ question whether recess June 1 or continue, we will await delegation report of developments. If there is some break in situation indicating further negotiation might be fruitful, continuation might be in order. Also delegation might consider possibility of continuing talks only if Italians agree discuss capacity and other non-route issues.

9. This message assumes termination date is May 31. If relevant date agreed upon is June 1 (State 203467), there would be extra day involved.

GP-3.

END

RUSK

DECLASSIFIED
CONFIDENTIAL
Classification